

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506SECRET (GDS)

May 10, 1973

National Security Study Memorandum 181

TO: The Secretary of State
The Secretary of Defense
The Director of Central Intelligence

SUBJECT: U.S. Policy in the Arabian Peninsula and the Persian Gulf

The President has directed a review of U.S. policy in the Arabian Peninsula and the Persian Gulf. NSDM 92 and NSDM 186 have already established a framework for U.S. policy in this region based on Saudi-Iranian cooperation and an indirect U.S. role in arms supply. The purpose of this new review is to evaluate our present policy in light of recent developments in this area.

The study should identify U.S. interests and objectives in the area. As to U.S. interests and objectives deriving from U.S. energy requirements, the study should draw on the work done in response to NSSM 174.

The study then should specifically address the following questions:

- What is the state of regional cooperation and in particular Saudi-Iranian cooperation? What steps can the U.S. take to strengthen it?
- What role would the United States like to see Kuwait play and what can the U.S. do to encourage it? In the light of Kuwait's current defense needs, what is an appropriate relationship between Kuwait and other nations of the area? What are possible U.S. roles in responding to Kuwait's defense needs?
- What measures can be taken to strengthen the U.S. -Saudi and U.S. -Iranian bilateral relationships? In particular, how can a sense of cooperation toward common strategic objectives be developed? How can commercial and financial ties be strengthened, including consideration of steps the U.S. could take to encourage oil producing countries to use oil revenues to increase production?
- What are the prospects for stability in the UAE, Qatar and Bahrain?

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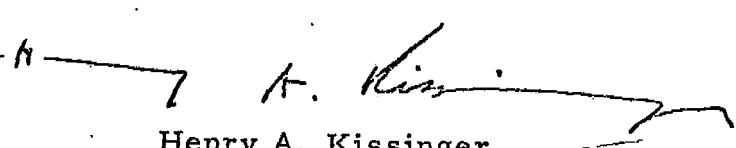
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- How can Saudi Arabia and Iran contribute most effectively to the security of the area and in particular of Kuwait, Oman and the Yemen Arab Republic? What is the appropriate role for Jordan? What are the options for the U.S. in relation to the cooperation among these governments?
- Is U.S. arms supply policy in this area appropriate?
- Is the U.S. official presence in the area appropriate as to numbers and level?

In discussing these issues, reference should be made as appropriate to Iran's and Saudi Arabia's growing economic and military power; sources of instability in the area including the role of Iraq and the PDRY; and the policies of states outside the region (Europeans, Japan, USSR) as they affect U.S. interests. In each section of the study, options for U.S. policy should be presented and analyzed.

This study should be conducted by the NSC Interdepartmental Group for the Near East and South Asia. This study should be submitted to the NSC Senior Review Group by June 22, 1973.


Henry A. Kissinger

cc: The Chairman, Joint Chiefs of Staff

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